

IMPREST FUND VISA CHECKS PROCEDURES

PURPOSE

The purpose of this instruction is to provide procedures for the use of VISA checks and clearly define the roles of the Finance Office, and the VISA check account holder.

BACKGROUND

The National Oceanic and Atmospheric Administration (NOAA) currently authorizes the Establishment of imprest funds in those situation where the availability of cash is necessary for the operations of an operating component. However, it is recognized that the best interest of NOAA would be served if alternate methods could be adopted that would allow NOAA to conduct business in those environments that that require cash transactions without actually having to maintain cash outside of the U.S. Treasury. The establishment of VISA check accounts will allow NOAA to decrease the number of imprest funds, which will in turn decrease the amount of money held by NOAA outside of the U.S. Treasury, and thereby promote good cash management.

ESTABLISHMENT/ISSUANCE OF VISA CHECKS

VISA check accounts may only be established for those offices where it is necessary for the office to operate in a "cash" environment. Accounts may be established in those instances where (1) the vendor will not accept purchase orders, SF44s, or the Government Purchase Card; (2) vendors require payment by cash or check; (3) vendors do not have the capability to bill the agency; and/or (4) unusual operating conditions preclude conventional disbursing methods.

Note: VISA checks may not be issued for the following: (1) travel advances; (2) if the vendor accepts the Government Purchase Card, Purchase Orders, Blanket Purchase Agreements, SF44s, or the item is offered through GSA; (3) for interim receipts prior to the purchase being made; or (4) for Cash in a Flash.

To establish a VISA checking account, the "Government Purchase Card Set-Up Form" and the "Approving Official Setup Form" (an approving official will need to establish if one has not already been established for the office) should be sent to the servicing Financial Management Division (FMD) by the official in charge of the facility where the account will be established. A separate account must be established if an alternate account holder is required. Upon receipt of the request, the FMD will review the request, and if approved, forward the application to the Commerce BankCard Center for processing.

Request for replenishment checks should be directed to the customer service center at Citibank.

ACCOUNT HOLDER RESPONSIBILITY

Upon receipt of the VISA checks the account holder must secure the checks in a lock box or a locked file cabinet. Also, the account holder should remind individuals to whom checks have been issued to safeguard them as if they were handling cash. A check register showing the date, check number, payee, employee to whom the check is issued (if different from payee), and amount of the check will be maintained by the account holder. All checks that are issued must be supported by proper documentation (receipt for good/services, etc.) The monthly statements along with the supporting documentation will be reviewed by the approving official at the site and then sent to the servicing FMD for review, reconciliation, and payment of the invoice. A copy of the statements and the check register must be maintained by the account holder in accordance with the current Purchase Card regulations and NOAA records retention regulations (note: audit documents are required to be maintained for six years and three months). The account holder is responsible for reporting to the Citibank when a check has been lost or stolen.

Upon receipt of the account statement, the account holder shall review each transaction to ensure the accuracy of the information. The "Statement of Questioned Items" should be completed for any item on the statement that is in question. A brief description detailing why the funds were disbursed (e.g. "36 feet of 1 inch copper pipe"), and a complete line of accounting must be included on the statement for each check. Any mandatory approvals should also be attached to the statement. The certified statement must be forwarded to the approving official within 5 workdays after receipt. Copies of all documents shall be maintained by the account holder for 6 year and 3 months.

ACCOUNTABILITY AND REVIEW

The approving official is responsible for ensuring that the checks are only issued for official Government business. In addition to verifying that each check issued was both necessary and in compliance with the Department's check issuance policy, the approving official should reconcile the account holder's statement with the account reports provided by Citibank. The approving official must also review the statement to ensure that the items approved for payment have been received and that the correct line of accounting (included budget object class code and fiscal year) is used for each item. This review process should also ensure that checks are only used when it is determined that alternate methods of procurement and/or disbursements of funds are impractical. Once the approving official has satisfied himself/herself that all items are proper for payment, the statement shall be signed and forwarded to the servicing FMD within 15 workdays for final reconciliation.

The servicing FMD is responsible for reviewing all statements for the legality of the purchase, and the appropriateness of the payment methods. The servicing FMD shall reconcile all statements to the invoice submitted by Citibank.

Any misuse of the checks will result in the immediate closure of the account. The account holder will be held responsible for any fraud resulting from his/her negligence or misuse of the account. If an account is closed for misuse, an imprest fund shall not be reestablished in its place. Finance Offices will conduct annual reviews of the account holders records to ensure adherence to applicable policies and procedures.

ATTACHMENT 1

AUTHORIZATION CONTROLS AND USAGE	
AUTHORIZATION CONTROLS	USAGE
Dollars per transaction limit	Limits the card/account to an assigned dollar amount per transaction.
Dollars per day, week, billing cycle, or monthly limit	Limits the card/account to an assigned dollar amount of approved authorizations per day, week, billing cycle or month.
Transactions per day, week, or cycle or monthly limit	Limits the card/account to an assigned number of approved authorizations per day, week, cycle or month.
Transaction amount limit	Limit the purchase amount per transaction for selected association defined merchant categories
Automatic controls that flag and deny cards/invalid cards	Restricts account usage based on security status (closure due to lost/stolen)

ATTACHMENT 2

AREAS WHERE INTERNAL CONTROLS MUST BE DEVELOPED BY PILOT TEAM	
INTERNAL CONTROLS	USAGE
Reconciliation of checks with the cardholder statement	Checkbook register/log with monthly statement
Point of sale control to:	Restrict purchase at select merchants or include types of purchases in selected categories (e.g., travel-related purchase with the purchase card)
No control available at Post for	Merchandise returns and cash back to cardholder

DRAFT ONLY

Authorization Controls and Usage of Imprest Fund

UNITED STATES GOVERNMENT
52082608

150

NOAA SHIP RONALD H. BROWN
ALAN HYLTON

DATE _____

FOR OFFICIAL GOVERNMENT USE ONLY
US TAX EXEMPT

PAY TO THE ORDER OF _____ \$ _____
DOLLARS

CITIBANK (symbol follows):

Citibank South Dakota

Payable Through Star Bank

Cincinnati, Ohio 45150

NOT TO EXCEED \$ 1,000

US GOVERNMENT TAX EXEMPT

MEMO _____

(Signature Space)

042201948:12525252252:26512465135